

The Closing Disclosure

Overview:

The new TRID Regulation is effective for applications taken on October 3, 2015 and after. As a result, the GFE, TIL, and HUD-1 will no longer be issued. The Loan Estimate will replace the GFE and initial TIL. The Closing Disclosure will replace the HUD-1 and final TIL.

What is TRID?

The TILA-RESPA Integrated Disclosure (“TRID”) rule is intended to improve the way consumers receive information about mortgage loans, both when they apply and when they are getting ready to close. The rule introduces two new disclosure forms: the **Loan Estimate (LE)**, which is delivered to the consumer three business days after application, and the **Closing Disclosure (CD)**, which is received by the consumer at least three business days prior to closing the loan.

The TRID rule also amends the definition of what constitutes an “**application**” under RESPA, limiting the necessary elements to six items: consumer’s name, income, social security number to obtain a credit report, property address, estimated value of the property, and the loan amount sought.

The **Loan Estimate** and **Closing Disclosure** will be required on any application taken on or after October 3, 2015. The GFE, HUD-1, and Truth-in-Lending forms will still need to be used for applications dated prior to October 3, 2015.

What is the Closing Disclosure?

The **Closing Disclosure** represents a combination of the HUD-1 Settlement Statement and the Final Truth-in-Lending (TIL) disclosure and is designed to provide disclosures that will be helpful to consumers in understanding all of the costs of the transaction.

For loans that require a **Loan Estimate** and that proceed to closing, creditors must provide a new final disclosure reflecting the actual terms of the transaction, called the **Closing Disclosure**. The form integrates and replaces the existing HUD-1 Settlement Statement and the Final Truth-in-Lending (TIL) disclosure for these transactions. The creditor is required to ensure the consumer receives the **Closing Disclosure** no later than **three business days** before signing loan documents.

Additional Notes:

What is the difference between Down Payment and Deposit?

Deposit:

To show that an offer is serious and made in good faith, the buyer typically pays the seller an "earnest money deposit." The amount varies by state and transaction, usually 1-2% of the purchase price. The borrower receives a credit for the deposit upon close of escrow.

Down Payment: The down payment is the difference between the selling price and the loan amount.

Where is the breakdown of the Seller Credit(s) located?

Seller Credit is an amount the seller is giving as a general credit not tied to a specific charge on page 2 or is making as an allowance to the consumer for items to purchase separately. The amount of Seller Credit would include any credits to the consumer as the result of a walk-through of the property prior to the closing, however, if the amount of a credit is attributable to a charge listed on page 2, then the amount should be listed with the applicable item on page 2 and designated as Seller-Paid At Closing or Seller- Paid Before Closing, as appropriate.

Additional Info Regarding Disclosing Transfer and Other State Taxes on the Closing Disclosure (CD):

- In some states, there will be several transfer taxes that will be part of the real estate transaction and the loan transaction
- Transfer taxes must be itemized on the Closing Disclosure, not aggregated as required for the Loan Estimate
 - Itemization is for each tax and for each governmental entity
 - Name of government entity must be disclosed on Closing Disclosure form
- Similarly to the Loan Estimate, the Closing Disclosure form requires recording fees to be disclosed as one item.
- However, the Closing Disclosure also requires separate itemizations for the amount paid to record the deed and mortgage
 - The itemized recording fees for the deed and the mortgage only need to include the amounts needed to record each of these documents
 - Recording fees for other documents, except for the deed and the mortgage, are included as part of the total recording fees and are not itemized
- Creditors must disclose the name of the entity *assessing* the transfer tax, even when entity is different from the payee of the check cut by the settlement agent

Borrowers must receive the Closing Disclosure at least three business days before the scheduled closing date. This gives them time to review the document.

Closing Disclosure

This form is a statement of final loan terms and closing costs. Compare this document with your Loan Estimate.

Closing Information

Date Issued 4/15/2013
Closing Date 4/15/2013
Disbursement Date 4/15/2013
Settlement Agent Epsilon Title Co.
File # 12-3456
Property 456 Somewhere Ave
 Anytown, ST 12345
Sale Price \$180,000

Transaction Information

Borrower Michael Jones and Mary Stone
 123 Anywhere Street
 Anytown, ST 12345
Seller Steve Cole and Amy Doe
 321 Somewhere Drive
 Anytown, ST 12345
Lender Ficus Bank

Loan Information

Loan Term 30 years
Purpose Purchase
Product Fixed Rate
Loan Type Conventional FHA
 VA _____
Loan ID # 123456789
MIC # 000654321

Loan Terms	Can this amount increase after closing?	
Loan Amount	\$162,000	NO
Interest Rate	3.875%	NO
Monthly Principal & Interest <i>See Projected Payments below for your Estimated Total Monthly Payment</i>	\$761.78	NO
Does the loan have these features?		
Prepayment Penalty	YES	• As high as \$3,240 if you pay off the loan during the first 2 years
Balloon Payment	NO	

Changes that occur before consummation that require a new three business day waiting period are:
 Changes to the APR exceed .125%
 Changes to the loan product
 Addition of pre-payment penalty

Projected Payments	Years 1-7		Years 8-30	
Payment Calculation				
Principal & Interest	\$761.78		\$761.78	
Mortgage Insurance	+	82.35	+	—
Estimated Escrow <i>Amount can increase over time</i>	+	206.13	+	206.13
Estimated Total Monthly Payment	\$1,050.26		\$967.91	
Estimated Taxes, Insurance & Assessments <i>Amount can increase over time See page 4 for details</i>	\$356.13 a month		This estimate includes <input checked="" type="checkbox"/> Property Taxes <input checked="" type="checkbox"/> Homeowner's Insurance <input checked="" type="checkbox"/> Other: Homeowner's Association Dues <i>See Escrow Account on page 4 for details. You must pay for other property costs separately.</i>	
			In escrow? YES YES NO	

Costs at Closing		
Closing Costs	\$9,712.10	Includes \$4,694.05 in Loan Costs + \$5,018.05 in Other Costs – \$0 in Lender Credits. <i>See page 2 for details.</i>
Cash to Close	\$14,147.26	Includes Closing Costs. <i>See Calculating Cash to Close on page 3 for details.</i>

The number of items in the tables can be expanded and deleted to accommodate the disclosure of additional line items.

Items that are required to be disclosed, even if they are not charged to the consumer, cannot be deleted.

Closing Cost Details

Loan Costs	Borrower-Paid		Seller-Paid		Paid by Others
	At Closing	Before Closing	At Closing	Before Closing	
A. Origination Charges	\$1,802.00				
01 0.25 % of Loan Amount (Points)	\$405.00				
02 Application Fee	\$300.00				
03 Underwriting Fee	\$1,097.00				
04 0% Tolerance					
05					
06					
07					
08					
B. Services Borrower Did Not Shop For	\$236.55				
01 Appraisal Fee to John Smith Appraisers Inc. 0%					\$405.00
02 Credit Report Fee to Information Inc. 0%		\$29.80			
03 Flood Determination Fee to Info Co. 0%	\$20.00				
04 Flood Monitoring Fee to Info Co. 0%	\$31.75				
05 Tax Monitoring Fee to Info Co. 0%	\$75.00				
06 Tax Status Research Fee to Info Co. 0%	\$80.00				
07 0% Tolerance					
08					
09					
10					
C. Services Borrower Did Shop For	\$2,655.50				
01 Pest Inspection Fee to Pests Co. 10% cumulative total, if on Provider List. No Limit, if not.	\$120.50				
02 Survey Fee to Surveys Co. 0%	\$85.00				
03 Title – Insurance Binder to Epsilon Title Co. 0%	\$650.00				
04 Title – Lender’s Title Insurance to Epsilon Title Co. 0%	\$500.00				
05 Title – Settlement Agent Fee to Epsilon Title Co. 0%	\$500.00				
06 Title – Title Search to Epsilon Title Co. 0%	\$800.00				
Tolerance:					
10% cumulative total, if on Provider List. No Limit, if not.					
D. TOTAL LOAN COSTS (Borrower-Paid)	\$4,694.05				
Loan Costs Subtotals (A + B + C)	\$4,664.25	\$29.80			

Note: All costs must be alphabetized.

The Loan Costs and Other Costs tables can be disclosed on two separate pages, but only if all the costs required to be disclosed cannot be accommodated on one page. When this occurs, the pages must be numbered 2a and 2b.

Borrower was permitted to choose and either:
 1. Chose a Provider on our list
 OR
 2. Did not choose

Other Costs

E. Taxes and Other Government Fees	\$85.00				
01 Recording Fees Deed: \$40.00 Mortgage: \$45.00 10%	\$85.00				Name of entity assessing Transfer Tax
02 Transfer Tax to Any State 0%			\$950.00		
F. Prepays	\$2,120.80				
01 Homeowner’s Insurance Premium (12 mo.) to Insurance Co. No Limit	\$1,209.96				
02 Mortgage Insurance Premium (mo.) 0% Tolerance					
03 Prepaid Interest (\$17.44 per day from 4/15/13 to 5/1/13) No Limit	\$279.04				
04 Property Taxes (6 mo.) to Any County USA 0% Tolerance	\$631.80				
05					
G. Initial Escrow Payment at Closing	\$412.25				
01 Homeowner’s Insurance \$100.83 per month for 2 mo.	\$201.66				
02 Mortgage Insurance per month for mo.					
03 Property Taxes \$105.30 per month for 2 mo.	\$210.60				
04 No Limitation					
05					
06					
07					
08 Aggregate Adjustment	-0.01				
H. Other	\$2,400.00				
01 HOA Capital Contribution to HOA Acre Inc. No Limit	\$500.00				
02 HOA Processing Fee to HOA Acre Inc. No Limit	\$150.00				
03 Home Inspection Fee to Engineers Inc. No Limit	\$750.00				
04 Home Warranty Fee to XYZ Warranty Inc. No Limit			\$450.00	\$750.00	
05 Real Estate Commission to Alpha Real Estate Broker 0%			\$5,700.00		
06 Real Estate Commission to Omega Real Estate Broker 0%			\$5,700.00		
07 Title – Owner’s Title Insurance (optional) to Epsilon Title Co. 10%	\$1,000.00				
08 Note: The 10% Tolerance for Title – Owner’s Title Insurance *Awaiting further clarification from CFPB.					
I. TOTAL OTHER COSTS (Borrower-Paid)	\$5,018.05				
Other Costs Subtotals (E + F + G + H)	\$5,018.05				
J. TOTAL CLOSING COSTS (Borrower-Paid)	\$9,712.10				
Closing Costs Subtotals (D + I)	\$9,682.30	\$29.80	\$12,800.00	\$750.00	\$405.00
Lender Credits 0% Tolerance					

The Settlement Service Provider does not use an average charge for:

- ✓ Any type of insurance
- ✓ Any charge based on the loan amount or property value

*Any fee paid to an affiliate of LDW or Broker is 0% Tolerance.
 ** All charges subject to the 10% Tolerance are cumulative.
 *** Charges not required by lender = No Limit.

Note: The tolerances above are subject to change. Regulation X and CFPB issued conflicting information on a lot of topics. We are currently waiting on rebuttals from the CFPB before final determination is made on tolerances.

This page includes the Calculating Cash to Close table and Summaries of Transactions tables. For transactions without a seller, a Payoffs and Payments Table may be substituted for the Summaries of Transactions table and placed before the alternative Calculating Cash to Close Table.

Calculating Cash to Close

Use this table to see what has changed from your Loan Estimate.

	Loan Estimate	Final	Did this change?
Total Closing Costs (J)	\$8,054.00	\$9,712.10	YES - See Total Loan Costs (D) and Total Other Costs (I)
Closing Costs Paid Before Closing	\$0	- \$29.80	YES - You paid these Closing Costs before closing
Closing Costs Financed (Paid from your Loan Amount)	\$0	\$0	NO
Down Payment/Funds from Borrower	\$18,000.00	\$18,000.00	NO
Deposit	- \$10,000.00	- \$10,000.00	NO
Funds for Borrower	\$0	\$0	NO
Seller Credits	\$0	- \$2,500.00	YES - See Seller Credits in Section L
Adjustments and Other Credits	\$0	- \$1,035.04	YES - See details in Sections K and L
Cash to Close	\$16,054.00	\$14,147.26	

Summaries of Transactions

Use this table to see a summary of your transaction.

BORROWER'S TRANSACTION

K. Due from Borrower at Closing		\$189,762.30
01	Sale Price of Property	\$180,000.00
02	Sale Price of Any Personal Property Included in Sale	
03	Closing Costs Paid at Closing (J)	\$9,682.30
04		
Adjustments		
05		
06		
07		
Adjustments for Items Paid by Seller in Advance		
08	City/Town Taxes to	
09	County Taxes to	
10	Assessments to	
11	HOA Dues 4/15/13 to 4/30/13	\$80.00
12		
13		
14		
15		
L. Paid Already by or on Behalf of Borrower at Closing		\$175,615.04
01	Deposit	\$10,000.00
02	Loan Amount	\$162,000.00
03	Existing Loan(s) Assumed or Taken Subject to	
04		
05	Seller Credit	\$2,500.00
Other Credits		
06	Rebate from Epsilon Title Co.	\$750.00
07		
Adjustments		
08		
09		
10		
11		
Adjustments for Items Unpaid by Seller		
12	City/Town Taxes 1/1/13 to 4/14/13	\$365.04
13	County Taxes to	
14	Assessments to	
15		
16		
17		
CALCULATION		
Total Due from Borrower at Closing (K)		\$189,762.30
Total Paid Already by or on Behalf of Borrower at Closing (L)		- \$175,615.04
Cash to Close <input checked="" type="checkbox"/> From <input type="checkbox"/> To Borrower		\$14,147.26

SELLER'S TRANSACTION

M. Due to Seller at Closing		\$180,080.00
01	Sale Price of Property	\$180,000.00
02	Sale Price of Any Personal Property Included in Sale	
03		
04		
05		
06		
07		
08		
Adjustments for Items Paid by Seller in Advance		
09	City/Town Taxes to	
10	County Taxes to	
11	Assessments to	
12	HOA Dues 4/15/13 to 4/30/13	\$80.00
13		
14		
15		
16		
N. Due from Seller at Closing		\$115,665.04
01	Excess Deposit	
02	Closing Costs Paid at Closing (J)	\$12,800.00
03	Existing Loan(s) Assumed or Taken Subject to	
04	Payoff of First Mortgage Loan	\$100,000.00
05	Payoff of Second Mortgage Loan	
06		
07		
08	Seller Credit	\$2,500.00
09		
10		
11		
12		
13		
Adjustments for Items Unpaid by Seller		
14	City/Town Taxes 1/1/13 to 4/14/13	\$365.04
15	County Taxes to	
16	Assessments to	
17		
18		
19		
CALCULATION		
Total Due to Seller at Closing (M)		\$180,080.00
Total Due from Seller at Closing (N)		- \$115,665.04
Cash <input type="checkbox"/> From <input checked="" type="checkbox"/> To Seller		\$64,414.96

Additional Information About This Loan

Loan Disclosures

Assumption

If you sell or transfer this property to another person, your lender

- will allow, under certain conditions, this person to assume this loan on the original terms.
- will not allow assumption of this loan on the original terms.

Demand Feature

Your loan

- has a demand feature, which permits your lender to require early repayment of the loan. You should review your note for details.
- does not have a demand feature.

Late Payment

If your payment is more than 15 days late, your lender will charge a late fee of 5% of the monthly principal and interest payment.

Negative Amortization (Increase in Loan Amount)

Under your loan terms, you

- are scheduled to make monthly payments that do not pay all of the interest due that month. As a result, your loan amount will increase (negatively amortize), and your loan amount will likely become larger than your original loan amount. Increases in your loan amount lower the equity you have in this property.
- may have monthly payments that do not pay all of the interest due that month. If you do, your loan amount will increase (negatively amortize), and, as a result, your loan amount may become larger than your original loan amount. Increases in your loan amount lower the equity you have in this property.
- do not have a negative amortization feature.

Partial Payments

Your lender

- may accept payments that are less than the full amount due (partial payments) and apply them to your loan.
- may hold them in a separate account until you pay the rest of the payment, and then apply the full payment to your loan.
- does not accept any partial payments.

If this loan is sold, your new lender may have a different policy.

Security Interest

You are granting a security interest in
456 Somewhere Ave., Anytown, ST 12345

You may lose this property if you do not make your payments or satisfy other obligations for this loan.

Escrow Account

For now, your loan

- will have an escrow account (also called an "impound" or "trust" account) to pay the property costs listed below. Without an escrow account, you would pay them directly, possibly in one or two large payments a year. Your lender may be liable for penalties and interest for failing to make a payment.

Escrow		
Escrowed Property Costs over Year 1	\$2,473.56	Estimated total amount over year 1 for your escrowed property costs: <i>Homeowner's Insurance</i> <i>Property Taxes</i>
Non-Escrowed Property Costs over Year 1	\$1,800.00	Estimated total amount over year 1 for your non-escrowed property costs: <i>Homeowner's Association Dues</i> You may have other property costs.
Initial Escrow Payment	\$412.25	A cushion for the escrow account you pay at closing. See Section G on page 2.
Monthly Escrow Payment	\$206.13	The amount included in your total monthly payment.

- will not have an escrow account because you declined it your lender does not offer one. You must directly pay your property costs, such as taxes and homeowner's insurance. Contact your lender to ask if your loan can have an escrow account.

No Escrow		
Estimated Property Costs over Year 1		Estimated total amount over year 1. You must pay these costs directly, possibly in one or two large payments a year.
Escrow Waiver Fee		

In the future,

Your property costs may change and, as a result, your escrow payment may change. You may be able to cancel your escrow account, but if you do, you must pay your property costs directly. If you fail to pay your property taxes, your state or local government may (1) impose fines and penalties or (2) place a tax lien on this property. If you fail to pay any of your property costs, your lender may (1) add the amounts to your loan balance, (2) add an escrow account to your loan, or (3) require you to pay for property insurance that the lender buys on your behalf, which likely would cost more and provide fewer benefits than what you could buy on your own.

This page contains Loan Disclosures, Adjustable Payment, and Adjustable Interest Rate (AIR) tables with the heading Additional Information About This Loan.

This page discloses Loan Calculations, Other Disclosures, Questions Notice, Contact Information, and, if desired, Confirm Receipt tables.

Loan Calculations

Total of Payments. Total you will have paid after you make all payments of principal, interest, mortgage insurance, and loan costs, as scheduled.	\$285,803.36
Finance Charge. The dollar amount the loan will cost you.	\$118,830.27
Amount Financed. The loan amount available after paying your upfront finance charge.	\$162,000.00
Annual Percentage Rate (APR). Your costs over the loan term expressed as a rate. This is not your interest rate.	4.174%
Total Interest Percentage (TIP). The total amount of interest that you will pay over the loan term as a percentage of your loan amount.	69.46%

Other Disclosures

Appraisal

If the property was appraised for your loan, your lender is required to give you a copy at no additional cost at least 3 days before closing. If you have not yet received it, please contact your lender at the information listed below.

Contract Details

See your note and security instrument for information about

- what happens if you fail to make your payments,
- what is a default on the loan,
- situations in which your lender can require early repayment of the loan, and
- the rules for making payments before they are due.

Liability after Foreclosure

If your lender forecloses on this property and the foreclosure does not cover the amount of unpaid balance on this loan,

- state law may protect you from liability for the unpaid balance. If you refinance or take on any additional debt on this property, you may lose this protection and have to pay any debt remaining even after foreclosure. You may want to consult a lawyer for more information.
- state law does not protect you from liability for the unpaid balance.

Refinance

Refinancing this loan will depend on your future financial situation, the property value, and market conditions. You may not be able to refinance this loan.

Tax Deductions

If you borrow more than this property is worth, the interest on the loan amount above this property's fair market value is not deductible from your federal income taxes. You should consult a tax advisor for more information.



Questions? If you have questions about the loan terms or costs on this form, use the contact information below. To get more information or make a complaint, contact the Consumer Financial Protection Bureau at www.consumerfinance.gov/mortgage-closing

Contact Information

All sections of the Contact Information must be completed.

	Lender	Mortgage Broker	Real Estate Broker (B)	Real Estate Broker (S)	Settlement Agent
Name	Ficus Bank		Omega Real Estate Broker Inc.	Alpha Real Estate Broker Co.	Epsilon Title Co.
Address	4321 Random Blvd. Somecity, ST 12340		789 Local Lane Sometown, ST 12345	987 Suburb Ct. Someplace, ST 12340	123 Commerce Pl. Somecity, ST 12344
NMLS ID					
ST License ID			Z765416	Z61456	Z61616
Contact	Joe Smith		Samuel Green	Joseph Cain	Sarah Arnold
Contact NMLS ID	12345				
Contact ST License ID			P16415	P51461	PT1234
Email	joesmith@ficusbank.com		sam@omegare.biz	joe@alphare.biz	sarah@epsilontitle.com
Phone	123-456-7890		123-555-1717	321-555-7171	987-555-4321

Confirm Receipt

By signing, you are only confirming that you have received this form. You do not have to accept this loan because you have signed or received this form.

Applicant Signature

Date

Co-Applicant Signature

Date